GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:3136
ANSWERED ON:10.12.2002
INSTALLATION OF LIGNITE BRICKETING UNIT
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Neyveli Lignite Corporation (NLC)sought consultancy from a German company to instal a State-of-the art Lignite Bricketing unit following the plans of modernisation in 1999;

(b) if so, the payment made to the concerned company for the same;

(c) the details of the consultation provided by the said company and the date on which it was obtained;

(d) the expenditure estimated on the installation of the Lignite Bricketing Unit and the monetary and environmental benefits expected from it at that time; and

(e) the reasons for putting it in a cold-bag?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES AND MINISTER OF STATE IN THE MINISTRY OF LAW & JU
(SHRI RAVI SHANKAR PRASAD)

(a) : Yes, Sir.

(b) : The total consultancy fees paid was Rs.17 lakhs which includes to and fro fare for two persons from Germany and expenses in India.

(c) : The consultant report was received from the firm on 31.12.1998. Measures suggested by the said firm are as under :

i)Supply of low ash content lignite from Mine I is to be ensured.
ii) Crushing of raw lignite to 0-4 mm size before feeding to driers for which improvised crushers were recommended.
iii) Rectification and modification in tubular driers for improving briquette quality.

(d) : The anticipated cost for implementing the firm's recommendation in both the lignite Briquetting plants worked out to Rs.50.00 crores. However, after reviewing the reports and considering the various implications, the firm was requested to furnish a phased programme for minimum investment which can be implemented in one factory first and extended to the second factory if found effective. The same was submitted by the firm and accepted by NLC. The approximate cost for revamping one factory was estimated as Rs.20.72 crores plus taxes and duties.

It was projected that B&C plant may earn profits within 3years of implementation in view of the increased revenues consequent to this quality improvement as well as higher production. However, there were not much of environmental benefits contemplated in view of these improvements.

(e) : The implementation of measure suggested by the German firm was not found commercially feasible due to change in marketing scenario. The availability of cheaper imported coal and coke posed severe competition in the market for NLC'scoke products. Hence the project was not implemented.